Exhibit A

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DECEMBER 22, 1999

YEAR 2000 FINAL BUDGET



Proprietary and Confidential Final

Coram Healthcare Corporation Board of Directors, Budget 2000 With Inter-Company Eliminations

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2000 Key Initiatives	
Forecast 1999 VS Budget 2000 - Annual	m
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Forecast 1999 VS Budget 2000 - CTI	C)
Forecast 1999 VS Budget 2000 - CPS	
Forecast 1999 VS Budget 2000 - RNET	į.

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Board of Directors, Budget 2000 Coram Healthcare Corporation "Key Initiatives Drivers"

- \$29mm w Revenue Growth

Generalist versus Specialist Sales force in 2000

New Strategic Business Unit leadership driving new sales and marketing programs - Manage Care carve-outs.

New Hemophilia sales and marketing program expected to grow \$8,0mm (50%) in 2000,

New national contract with United Healthcare (Q1) to replace projected Aetna lost business in (Q2) - 90% confidence level

st of Goods/Mix Improvement

- Commissionable therapy growth of new revenue at 70-80% standard margins versus current mix standard margins of 59%
 - 2000 Sales Compensation only paying on commissionable therapies and EBITDA improvement
 - Target low margin accounts for price increase
- 2000 COS From drug wholesaler, estimated annual savings \$250,000,

Jursing Cost Savings

- 1% improvement versus 1999
- Primary Care Management Model (PCMM) rolled out to reduce current cost per visit by 10%
 - Standardize use of Home Healthcare Laboratory of America (HHLA) program in 2000
 - Moving nurse staffing to more variable versus fixed cost via per Per Diems.
- Producing Manthly Management Reports to monitor Nurse Manager's performance under PCMM and HHLA.

Cash Collection Performance

- Regraphize reporting structure by moving Area Reimbursement Managers under AVP Operations to connect the front and back end
- All 2000 Bonus and Sales commission plans will be tied to cash collection results to gain total support from each team member to drive I Sedicated Individual to work with each Medicare DMERC location.
- Have begun legal communication with delinquent Payor Accounts.
- Sale of CPS Q2 \$70 million generating \$60 million paydown of debt and \$45 million gain

Company Wide Expense Management Control

- Headcount management controls established budget, performance, staffing model and Sr. Management approval
 - Individual Budget Monthly Accountability; Weekly reporting of new cost savings initiatives
 - Elimination of discretionary spending; Micro Management by senior management

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Case 1:04-cv-01565-SLR

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CORAM HEALTHCARE CORPORATION BOARD OF DIRECTORS, BUDGET 2000 FORECASTED BALANCE SHEET AND CASHILOW ASSUMPTIONS 94

	. •	•
23	37	\$70,000,000 (5,000,000) \$65,000,000 (14,200,000) (5,800,000) \$45,000,000 \$65,000,000 \$5,000,000
78	39	es les lest es tell
10 80	50 Sing	Summary of CPS Sale. April 1, 2000 Estimated cash proceeds Estimated costs associated with sale Net proceeds on sale Net Book Value estimated Reserves from sale Estimated gain on sale of asset Daydown portion of principle on Series B debt Cash available for operations
DSO	AP Aging	Sumu Estin Net I Net I Rese Estin Net I Payd
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- 4) All interest payments due on Bank debt in 2000 are paid in eash (no PIKs), \$60 million reduction in Series B debt principle from the sale of CPS. Senior Credit Facility line remains at \$44m with a 1/2 % pt. increase in 7/00.
- Credit facility borrowing base, using November 1999 A/R balances, without R-Net and CPS is \$52 million. With the credit facility at \$44 million, Coram could be required to report weckly financial data to the notcholders. জ

ram Houllhearo Corporation - Consalidated	ard of Directors, Budget 2000	recest 1999 VS Budget 2000
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	Worse) 24.5%	28,9% 5,8% 28,7%	5.9%	38.5%	100.0% 69.7% -8.1% 19.2% 32.0%	%8.88	4820.0% 21.5%	115.1%	%000	114,5%	149.5%	%Z'60E	
•	Budget - Battor (Worse) 8 % 8 (148,700) -24.5	139,800 300 140,100	(8,600)	38,500 (707)	10,200 4,600 (800) 3,600 51,800	. 45,200	45,200 8,500	108,000		S. 108,000	\$. 42,200	\$ 87,266	
	Budgat 2000 \$ 453,200	343,700 5,100 346,600 77,0%	104,400	61,500 32,700	2,000 14,000 18,000 110,200 24,3%	(5,000)	(599) 44,200 (23,720)	14,200	200	3,0%	3.1%	\$ 59,000	
:.	Forcast 1999 \$ 599,900	5,400 5,400 480,900 81,5%	111,000	100,000 32,000 5.3%	19,200 8,600 13,200 19,800 162,000 27,0%	(51,000) 8,5%	(000)))	(93,800)	200	\$ (94,300) \$	\$ (28,200)	\$ (28,200)	
and industry of the sections	et Revenue	Cost of Salos Doprociation & Amortization fotal Cost of Sales % to Not Rovonue	Grass Profit % to Not Rovanue	Operating Expensos; Direct Operating Exp w/ Bed Debt Corporate Allocation % to Net Revenue	Restructure Charges Depractation & Amortization Corporate Alocation D & A Deprectation & Amortization Total Operating Expense % to Net Revenue	Operating Income (Loss) bofore interest % to Net Revenue	Other - Loss from Discontinued Operations Other Income ((Expense) interest Expense	Income (Loss) before income Tax % to Net Revenue	Income Taxes	Not income (Loss) % to Not Ravenue	EBITDA without CPS Sals % to Net Revenue	EBITDA with CPS Sale % to Not Revenus	•

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	70130	-24.5%	28.9%	28.7%		7.6'5		38,5%	* 77.77	100,0%	69,7%	7.87	10.2%	22.03		15 Te	95.7%	7,00257	21,5%	115,1%	•	700	114,5%		149,6%		309.2%		11/2/F
	91	\$ (146,700)	139,800	46.48		(005'9)		28,500	(00)	10200	88	8	3,800	21,800		45,200	41.100	45,200	6,500	108,000			\$ 108,000		\$42,200		\$87,200	•	
	2000	453,200	30,700	Mich	ă.	201,400	**************************************	61,500	22,700	47.	2,000	4,00	16,000	110,200	7(7)	(5,800) •13%	swa/	4 20 ((02,23)	14,200		82	13,700	2,0,5	\$14,000	3,1%	339,000	4004 4004	
•	ŏ	109,500 \$	81,700	S .	75.8%	28,500	24.2.42	14,700	08'A	r R R	8	3,500	4,000	28,300	24,0%	. 200	,	(200)	(5,500)	(5,600)	÷ .	- F	\$ (007,3)	%2'S*	35,300	4,8%	\$5,300	318¥	•
	03	105,600 \$	79,800		78.9%	24,400	23.1%	14,500	7,500	7.2%	, §	3,500	4,000	25,100	24,7%	(4,700)	•	600	(5.700)	(7,500)	*7:12) 81	(7,700) \$	-7,3%	\$3,400	3,2%	53,400	325	•
		102,600 \$	78,000	8] -		23,300	22.7%	14,600	8,400	97%	, 05	3,500	\$(00°	27,000	26,3%	(3,700) 4,61,			(3,500)	35,400	4 17	8	35,700 \$	34,3%	\$1,200	1.3%	\$48,300	45.7%	
,	Budget 2000	\$ DOS!	104,100	22	77,77	30,200	22,7%	17,700	9,18	8,7%	. 005	3,500	4,000	30,800	22,7%	(603)		88	(6,800)	(000'9)	* no.	188	\$ (8,100) \$	1	64,000	3,0%	24,000	30°C	
		599,900	483,500	2,400	81,5%	111,000	18,5%	. 600 600	33,000	33%	10,200	13 700	19,600	162,000	27,0%	(51,000)		(11,600)	(00,00)	(83,800)	-15.6%	200	(84,300)	-15.7%	(\$28,200)	4.7.5	(\$28,200)	4.7%	
•		5 142,900 \$	107,600	5	100,800		23,0%		10,00	×2.7	4 5 8 5		1 25	\$5.200	18.85	(21,100)		(00°;	(8,000)	(40,600)	.28,4%	3	S (00,00)	-28.5%		****	(\$20,100)	Ι.	
		\$ 143,200 \$	109 000	85	110,300	32,900	23,0%		1 8 2 8	00 17	5,100	35	1 2 2	00007	27.0%	(7,100)	}	• !	8 (8 (8 (8)	(15,199)	-10.5%	2	745200) S	-10.6%	23,800	7.5%		2.5%	٠.
	6	\$2,88 \$2,88	_	1,500	148,900	800	3'6'6	5	38	5.2%	• ;	3		8 5	2222	(29,500)	e n	•,	<u> </u>	63,75	-24.7%	200		7677	(002763)	-16.1%	(224,800)	-16.1%	
	Forecost 1999	01a		00	122,900	5	23,7%	. 1	800	3.0%	8	8	3 2	15	19,43	6,800	4	•	(20 (20 (20 (20 (20 (20 (20 (20 (20 (20	(300)	0.2%	ã		20.2%	213	8,0,0	\$12,900	8,0%	
ram Healtheara Corporation - Constitution -ard of Directors, Budget 1000 - repass 1995 VS Budget 2000		es macinative		Cost of Sales Depreciation & Americation	otal Cost of Sales	27320487.307.03.67	% to Net Revenue	Spareting Expenses:	Olrect Operating Exp w/ 836 Office	September 200 Se	Restructure Charges	Depreciation & Amortization	Corporate Allocation U.S.A.		Straight Careina	Operating Income (Loss) before Interest	% to Nat Revenue	Other - Loss from Discontinued Operations	Other Income / (Expense)	neone (Loss) before income Tax	% to Net Ravenue	Income Taxes		Not Income (Loss) % to Net Revenue		% to Net Revenue		% to Not Revenue	ė.

CORAM HEALTHCARE CORPORATION BOARD OF DIRECTORS, BUDGET-2000 CONSOLIDATED STATEMENTS OF CASH FLOW

			FOR T	FOR THE THREE MONTHS ENDED	AONTHS	ENDED.			months ended
	Mar 2 (Ung	March 31, 2000 (Unaudiled)	Jun 2 (Una	June 30, 2000 (Unaudited)	Septen 21 (Una	September 30, 2000 (Unaudited)	DB (2)	December 31, 2000 (Unaudiled)	December 31, 2000 (Unaudited)
PERATING CASH FLOW ASH RECEIPTS ASH DISBURSEMENTS	₩.	141,333	₩.	107,019	44	101,819 (98,485)	69	104,950	\$. 455,121 (434,816)
NET OPERATING CASH FLOW		4,269		5,277		3,334		7,425	20,305
CON-RECURRING CASH FLOW SAPITAL EXPENDITURES	·	(2,052)		(1,143)		(448)		(326)	(3,969)
SSET SALE, net of coals		· •		65,000		,	•	•	000'59 .
NTEREST PAYMENTS PRINCIPAL DAYMENTS		(3,377)		(1,176)		(4,841)	•	(6,604)	(15,998)
TOTAL PAYMENTS TO DEBT HOLDERS		(3,377)	-	(61,176)		(4,841)		(6,604)	(75,998)
RESTRUCTURING PAYMENTS		(5,154)		(2,127)		(1,404)		(4,260)	(10,034)
OTHER DISBURSEMENTS INCLUDING LEGAL FEES	•	(1,614)		(2,841)		(201)		9	(4,657)
TAX PAYMENTS	· 	(1725)	;	(125)		(125)		(125)	(200)
other debt payments net of interest income		(136)		. (54)		(40)	}	(87)	(317)
TOTAL CASH FLOW	ь	(8,189)	\$	2,811	<i>us</i> -	(3,805)	ω	(387)	\$ (10,170)
BEGINNING CASH ENDING CASH	49	11,059 2,870	• 69	2,870 5,681	ம்	5,681	co.	.1,876 889	11,059 \$ 889

CORAM HEALTHCARE CORPORATION BOARD OF DIRECTORS, BUDGET 2000 SOMPARATIVE CONDENSED BALANCE SHEETS

· Proprietary and Confidential

		BOAR	TIVE CO	BOARD OF DIRECTORS, BUDGET 2000 PARATIVE CONDENSED BALANCE SH	BALANG	BOARD OF DIRECTORS, BUDGET 2000 COMPARATIVE CONDENSED BALANCE SHEETS	. •					-	
	March 31, 2000 (Unaudiled)	i1,	June 25 (Unai	June 30, 2000 Unaudited)	Sopler 21 (Una	Soplambor 30, 2000 (Unaudited)	Doce	December 31, 2000 (Unaudited)	ğ 5	Novembor 30, 1999 (Uhaudiled)	Deco (Un	December 31, 1999 (Unaudiled)	•
ITS 1 DUNTS RECGIVABLE NTORIES PERTY AND EQUIPMENT, not	** ***	2,870 304,791 20,962 23,761	e s	5,681 83,481 16,201 19,376	v)	1,877 83,593 16,171 10,949	₩,	689 64,468 15,827 12,947	49	12,715 130,730 18,736 24,432	4 7	11,059 114,658 20,645 23,938	
IDWILL, net ER TOTAL ASSETS	2 3	32,408	63	36,238	49	35,155	U)	34,244	w	33,979	40	33,507	
allites and stockholders' equity rent Liabilities W Debt		90,283 302,299	.	89,352 242,299 18,576	· ·	87,428 242,299 18,845	49	86,484 242,299 19,141		92,805 302,299 17,959	43	104,061 302,299 18,177	٠.
TOTAL LIABILITIES OCKHOLDERS' EQUITY TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4 4	(6,770) (404,125	LS.	350,227 27,367 377,594	479	348,573 18,913 367,486	49	347,934 12,386 360,320	w	413,063	.	424,557 1,469 426,026	
								•					•.

ank II Equity Infusion, Estimated:
Using the Budget 2000 Stockholders' Equity, capital infusions would be required as noted:
1) To moet the December 31, 2000 Minimum gallity of \$10,001 \$82,701 would be required.

To meet the annual everage test using 1998 and estimated 1999 and estimated 2000 Stockholders' Equity at December 31st of each ported, \$120,000 would be required, To meet the quarterly average test, using the quarterly estimates for 2000, 1999 and 1998, \$280,000 would be required.

CORR ECTY 0003944

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		• • • • • • • • • • • • • • • • • • • •	• •	•	:		2722159: 63
7. 1.8% 1.4% 5.6% 1.3%	-11.2%	17.1% 20.2% 100.0% 102.0% 47.7% 8.5%	40.0%	*10,0%	7:2'6.	35.0% 35.8%	•
	ন	୍ଟ ଦେଶ୍ୱରଣ	6	e 1	ு கி	ରୀ ର	t .

	Engeneral fee	er.			•	Budget 1000					התמפור הפוומי	1110130	
	4,0	020	533	200	19990	õ	70	3	27	200	£		•
410476	\$ 105,700 \$	108,500 3	109,400	108,800	432,400	\$ 109,400	102,000 \$	104,500 \$	108,200	42(200	(9500)	* A .	
and a support	78,700	80,400	80,300	78,400	317,300	82,100	78,000	79,900	81,700	321,700 5,100	(00°,5)	**************************************	
spredston & Americation	1,400	83	200	200	27.72	1,200	1 00 E	81,200	900'53	3888	(4,100)	-13%	
Li Cost of Sales	75,3%	3555	7,972	72.5	74.6%	76.1%	77.77	77.5%	76.7%	77.0%	•	•	
ass Profit	26,100	28,600	27,800	29,200	109,700	26,100	22,760	23,422	25,200	97,400 22,025	(12,300)	- 45.2%	
% to Not Revenue	24.7.3		t i					•	,				
Serating Expenses:	44.700	15.300	13,900	24,600	58,500	14,500	14,100	14,000	14,200	26,800	57,17	17.1%	
Apparate Allocation	82.5	8,78	6,700	2,80	009'22	2,400	8 2	758	255 255 256	8 8 8 8 8 8 8 8 8	(mpt)	}	
% to Not Revenue	***	200	i i	§ §	2000		•	•	.•	•	5,18	1000	
Kestrichter Charges Jesendakon & Amerikalien	3 8	. 8	8	8	2,200	200	8	90	8	2,000	2000	20.00	
Comerate Allocation D & A	2,300	2,400	2,500	7,50	9,700	2,800	822	82.5			COOK!	- 104.00 m	-
Darweiston & Americation	882	3,000	3,200	6,189	15,200	000	887	8	B		2020	100	
of Contract Property	25.50	24.000	23,800	12,700	112,400	25,200	26,500	35.58	25,700	102.520	ACC.	200	
% to Net Revenue	20,7%	71.77	21.8%	35.2%	26,0%	23,0%	26.0%	24.6%	23,82	2437		•	
iparating frooms (Loss) before interest	4,700	2,800	000'5	(005(51)	(2,700)	006	(3,600)	(2,100)	(500) 0.5%	(8,500)	(2°800)	-101.7%	٠
S Net Revenue .	¥0%	7.4%	*	***	•		<u>;</u>					į	
Other - Loss from Discentinued Operations		•	•	•	•	•	• 1	• ;	• [* 5	٠ ٤	400 CC	•
Other Income / (Expense)	(500)	8	\$	<u>\$</u>	(1,000)	88	88	88	(5,50)	(800)	3, *	# # #00	
nterest Expensa	(\$500)	8	(E.283)	6,100	(22,200)	(mele)	- (See)	-					
ncome (Loss) before Income Tex % to Nat Revenue	(800) %8.0-	(3,500)	(2,100)	(19,500)	\$1006'5Z)	(4,800) 4,4%	(009°6)	(7,900) 7,5%	(6,200)	(18,500) 1,7,8	(003'2)	.10,0%	•
Income Taxes	8	2002	50	ğ	8	100	- 20	8	8	8		2,0,0	:
Net Income (Loss)	(006)	(0,700)	(2,200) \$	(10,500)	(26,400)	3 (4,500) 3	3,500) 3	(8,000) S	5,832	758'82 48.83	(009/2) \$	7,g'8.	
				1000	200		14 300		24,600	\$14.100	(37,000)	45,0%	
Self DA worder CP's Salo	8,5%	5.0%	7,672	187. 187.	5,1%	4,8%	252	2.6%	4.3%	E.S.			
4 4 4		2	. 90	1000			21.300	200	27.800	514.100	(27,800)	*35.9%	
Medical war course	8,5%	5,374	7,0,7	1.8%	5.1.2	4,8%	45.4	2,9%	4,3%	33%			
The second secon	and adjusted on the								•				

Proprietary and Confidential Final

Coram Healthcare Corporation Board of Directors, Budget 2000 Infusion Net Revenue Growth - '99 Vs '00 \$ in 000's

47,77	Ytd October Revenue, willi	Inter-company transactions	
:	Yta Oc	inter-c	

Partnership Deconsolidation subtraction

Annualized Oct. YTD

Adjusted for Deconsolidation

Add back for Aetna & Prudential Q1 00 Restated 1999 Revenue

Target Budget 2000

Growth vs. Restated 1999 \$

Growth vs. Restated 1999 %

\$ 380,000	\$ 456,000	(4,000).	(63,000)	389,000	6,000	\$ 424,200	\$ 29,200
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ram Hasithcars Corporation - CTI				•								•	•	
and of Directors, Sudget 2000				•	•			•	•				•	
						Hindras 2000		,			Budget - Better (Worze)	(Worse)		
.:	Forecast 1999		91.0	1	19900	Q1	02	C)3	מע	2000	3			
	200	8	8	** 8	000'-	\$ 400	\$ 600	* 1,000 \$	200,	3,300		4.75		
al Revenue				į	į	•	٠	• •	٠			100.0%		
Cost of Sales	•	•	8	8	8	• •	•	•	•	.]	-	200		
Depreciation & Americation	•	1	1	۱ ۱	18				•	1	8	100.0%		
oblicate/Sales	700	7.00	1,595		42,1%	0.0%	%00	3.0°0	%0°0	7,0,0.				
A to Not Actual to			Ş	Ş	5		9	000'1	1,300	3,300	2,200	200,0%	•	
iross Profit	15 to	100 03 20 03	1	52.5%	57.9%	100,001	100,001	10001	100,0%	100.001				
A D Not havenue					٠							•	,	
perating Expenses:	!	;	:		Ş	007	200	8	205	1,900	(1,100)	137.5%		
Olrect Operating Exp W/ Bad Debt		8	g '	3 5	\$ \$	•	*	5	8	8	8	10001		
Corporate Allocation	7.00	70.0	20.0	12.5%	5.3%	20.0	200	40,01	7.7%	r R	•	200		
Octobre Charles	•	•		•	•	•	•	• (. i		•	7.00		
Depreciation & Americation	•	•	,	•	٠.	•	٠.	•		•	•	350°C		
Cerecrate Allocation D & A	•	1	ا إ'	! -	1				-	,	•	. 0.0%		
Depreciation & Americation	•	-]	(20)	200	92	8	2.100	(3,200)	-(33.3%		
otal Operating Expenso	<u></u>	8	8	3	3	1000	27.5.6	20°08	48.2%	7,97				
% Li Nat Mavanue	100.0%	200,0%	300	4.0°25	47.474							.		
			503	8	200	•	8	. 400	8	8	08	20000	•	
Spending income (Lous) bolors interest styr New December	0.0%	100,034	11.11	25,0%	10.5%	30°C	18,7%	40,0%	\$3,8%	×*****				
									,		•	20,0		
ther . Loss from Discontinued Operations	•	•	,	•	,	• 1		•		•	•	2,0,0		
Other (neems / (Expense)	•	•	• •	•		• •	•	(400)	(B)	(2)	002	100.0%		
nerest Expense	•	•	1	1							•	, and 2000	٠.	
mone (Loss) before Income Tex	•	9	5	8	82		45 th	300 200 200 200 200 200 200 200 200 200	. 45.2%	8 K		*****	•	
14 to Not Revenue	10°0	.100.0%	* ·	12,07	240	t 0.0						300		
come Toxes		*	1		1				1	1		***	-	
						•	100	300 8	\$ 009	1,000	\$ 800	400'00	•	
(et incomo (Loss)	7000	3. (100) 3		1	10.5%	200	٦	30,0%	46.2%	30,3%				
A to has keyanda	0					\$			Syco	51200	\$1,000	200,0%		
BITDA without CPS Sale	8	(\$100)	2100	\$200	82	3	201	Jan 97	7,8 1,3	74.4				
St to Net Revenue	200	-100,0%	11,1%	25.0%	75.01	* O'03*		•		*****	٠			
	\$	(F40)	200	230	2300	8	\$100	\$400	\$700	\$1200	\$1,000	200'02		
ALION WAT CYU UNIO	7.00	100.00	11.1%	25,0%	10,5%	200	76.24		23,8%	36,4%				
				•										
			٠.			٠.		·				Accret	122229; 6:03 FM	

COR EQTY 0003947

it Revenue			22,000 22,000 3,700 1,700 1,700 6,6% 7,000 1,700	3 70°0 70°0 70°0	\$ 1 5000 \$ 1	# 7000 2000 2000 2000 2000 2000 2000 200	22,700 23,700 3,700 3,700 3,700 4,424 7,700 1,70	62,700 62,700 (8,100) (8,100) (9,000 (9,000) (1,000) (#8.05- #8.05 #8.69 #8.89 #8.89 #8.89 #8.89 #8.89 #8.89 #8.89
### 18,500 \$ 21,000 \$ 7 18,500 17,800 1	as []		2, 25, 70 2, 20 2, 20 3, 70 1, 70			,	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		7,500 7,500
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state Alecation	80	1,200	8	8	8	ć	, 100	, July	*00	70°0	200			•	
Net Revenue	2,7%	52%	58%	6.7%	\$ £		Ş.			•	•	81.5 5.10	100,0%	•	
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Operating Expense	70.45	7,90	107.8%	76 76 76	38.1%		700	%0°0	200	%0°0	¥0.0				
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ting income (Loss) boforo interest	5,100 5,5%	(05,20) (24,9%)	(9,700)	(08'E)	(41,700) 452,73	ei	0,0%	0,0%	400	0.0%	200				
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Loss from Discontinued Operators		٠.	• •	(mo'11)	Zenni s i b			•		•	•	•	500		
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(Loss) before Income Tex	002"1.	(33,400)	(10,200)	(15,900)	(56,900)	3.0	(400)	(100)	9,0,0	7,000	(505) (500)	28,400	33,1%		
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9 10X05												007.00	2	٠	
come (Losis)	5 1,700	\$ (33,7%	100.03	\$ (15,500) \$	71.9%	3 0	2,0% 0,0%	(30) 200 200 200 200 200 200 200 200 200 2	, #go	7,00	88	my'ec	2	•	_
	006'n		1000	1000	reseive	3	100	(3100)	3	8	(0055)	\$45,400	546,848		
A without CPS Sale I Net Revenue	10,71	3,6,1E1.	190	-166.7%	188	ľ	7500	2,0,0	750°0	7,0,0	2,00		•	•	
	3.	(ext) grei	(A) 200)	(646,000)	, (CLE 900)		(2750)	(3100)	8	8	(2500)	\$45,400	25.25 25 25 25 25 25 25 25 25 25 25 25 25 2		
Awin Ciro cale I Net Revenue	10,7%	131.9%	19 P	14.88 14.88	.56,0%		yara Yara	350°0	%0°0 •	7,00	40°			•	
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Coram Healthcare Corporation Board of Directors, Budget 2000 With Inter-Company Eliminations

Confents Summary	
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2000 Key Initiatives	-
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Budget 2000, Balance Sheet	ø
Forecast 1999 VS Budget 2000 - Infusion	7
Forecast 1999 VS Budget 2000 - CTI	o
Forecast 1999 VS Budget 2000 - CPS	4
Forecast 1999 VS Budget 2000 - RNET	11

Coram Healthcare Corporation "Key Initiatives Drivers" Board of Directors,

- \$29mm Growth

- Seneralist versus Specialist Sales force in 2000
- New Strategic Business Unit leadership driving new sales and marketing programs Manage Care carve-outs.
- New national contract with United Healthcare (Q1) to replace projected Aetna lost business in (Q2) 90% confidence level New Hemophilia sales and marketing program expected to grow \$8,0mm (50%) in 2000,

Cost of Goods/Mix Improvement

- Commissionable therapy growth of new revenue at 70-80% standard margins versus current mix standard margins of 59%.
 - 2000 Sales Compensation only paying on commissionable therapies and EBITDA improvement
 - Target low margin accounts for price increase
- 2000 COS from drug wholesaler, estimated onnual savings \$250,000.

Nursing Cost Savings

- 1% improvement versus 1999
- Primary Care Management Model (PCMM) ralled out to reduce current cost per visit by 10%.
 - Standardize use of Home Healthcare Laboratory of America (HHLA) program in 2000
 - Moving nurse staffing to more variable versus fixed cost via per Per Diems.
- Producing Monthly Management Reports to monitor Nurse Manager's performance under PCMM and HHLA.

Jash Collection Performance

- Rearganize reparting structure by moving Area Reimbursement Managers under AVP Operations to connect the front and back end process.
- All 2000 Bonus and Sales commission plans will be tied to tash collection negults to gain total support from cach team member to grive results
 - Dedicated individual to work with each Medicare DMERC location.
 - Have begun legal communication with delinquent Payor Accounts.

<u>Sale of CPS Q2 - \$70 million generating \$60 million paydown of debt and \$45 million gain</u>

Company Wide Expense Management Control

- Headcount management controls established budget, performance, staffing model and Sr. Management approval,
 - Individual Budget Monthly Accountability; Weekly reporting of new cost savings initiatives
 - Elimination of discretionary spending; Micro Management by senior management

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CORAM HEALTHCARE CORPORATION BOARD OF DIRECTORS, BUDGET 2000 FORECASTED BALANCE SHEET AND CASHELOW ASSUMPTIONS

94	4		
8 %	37	\$ 70,000,000 (5,000,000) \$ 65,000,000 (14,200,000) (5,800,000) \$ 45,000,000	\$ 65,000,000 (60,000,000) \$ 5,000,000
38 23	39		٠.
10 8 0	50	Summary of CPS Sale, April 1, 2000 Estimated cash proceeds Estimated costs associated with sale Net proceeds on sale Net Book Value estimated Reserves from sale Estimated gain on sale of asset	Net proceeds on sale Paydown portion of principle on Series B debt Cash available for operations
1) DSO	2) AP Aging	Summary of CPS Sal Estimated cash proce Estimated costs assoc Net proceeds on sale Net Book Value estir Reserves from sale Estimated gain on sa	Net proceeds on sale Paydown portion of a on Series B debt Cash available for op
-	ন	€ .	•

- All interest payments due on Bank debt in 2000 are paid in cash (no PIKs). \$60 million reduction in Series B debt principle from the sale of CPS. Senior Credit Facility line remains at \$44m with a 1/2 % pt. increase in 7/00.
- Credit facility borrowing base, using November 1999 A/R balances, without R-Net and CPS is \$52 million. With the credit facility at \$44 million, Coram could be required to report weckly financial data to the notcholders.

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icare Cerperation - (ctors, Budget	VS Bu
Coram Healthcare	Board of Directors, 1	Forecast 1999

	Budget - Beller (Werse)	\$ (148,700) -24,5%	138,800 28,9% 300 5,6% 140,100 28,7%	%e'5- {e'eao}	38,500 38,5% (700) -2,2%	10,280 100,0% 4,600 69,7% (800) -5.1% 3,800 19.2% 51,800 32.0%	45,200 88,6%	11,100 95,7% 45,200 4520,0% 6,500 21,5%	108,000 115.1%	%0°0	\$ 108,000 114,5%	\$ 42,200 149,6%	\$ 87,200 309,2%
		s 453,200.	343,700 5,100 348,800 77.0%	104,400 23,0%	61,500 32,700 7.2%	2,000 14,000 15,000 110,200	24.3% (5,800) -1,3%	(500) 44,200 (23,700)	14,200	869	3,0%	3.1%	\$ 59,000
• <i>,</i>	Forecast	\$ 589,900	483,500 5,400 488,900 81,5%	111,000	100,000 32,000 5.3%	10,200 6,800 13,200 19,800	27,0% (51,000) -8,5%	(11,600) (1,000) (30,200)	(93,800) -15,5%	200	\$ (94,300) \$	\$ (28,200)	\$ (28,200)
Forecast 1999 VS Budget 2000		Net Revenue	Cost of Sales Depreciation & Amortization Total Cost of Sales % to Net Revenue	Gross Profit % to Net Revenue	Operating Expenses: Direct Operating Exp w/ Bad Debt Corporate Allocation % to Not Revenue	A Constitution Charles Restructure Charles Depreciation & Amerization Corporate Allocation D & A Depreciation & Amerization Total Operating Expense	% to Net Revenue Operating Income (Loss) before interest % to Net Revenue	Other - Loss from Discontinued Operations Other Income / (Expense) Interest Expense	Income (Loss) before income Tax % to Net Revenue	Income Taxes	Net Income (Loss) % to Net Rovanuo	EBITDA without CPS Salo % to Net Revenue	EBITDA with CPS Sala % to Not Revenue

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Worze)	,,,,,,	****	28.9%	5.6%	26.7%			* 77		28.5%	-2.2%	100.035	53,7%	72.2	7,000			88.6%		25.7%	21.5%	1	4.000	700		114.5%		149,6%		30824		(2223)
Budget - Batter O			419.800	8	140,100		;	(6,600)			(0) (0)	. 226.07	03	8	086	200110		45,200	•	11,100	6,500		108,000	,		3 108,000		\$42,200	•	\$87.200		
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	ð	109,500 \$		81,700	8		2.077	26,500	24.2%		4,760 60,7	36.8	• 5	9,500	7007	26,300	24.0%	Ş	77.75	٠	(200)	-	(2,600)	Š	25	\$ (5,700)	45.2%	35,300	4.8%	\$9,300	4,8%	. -
	co	405.600 S		. 006'62	1 38	81,200	16.97	24.400	23.1%	•	14,500	7.25 2.25 2.25 2.25		3	8	26,100	24,7%		(00)'U	٠	(200)	- Carrier	(009')	. *2.7	8	(7.700) \$	73%	23.400	32%	23,400	3,2%	
	02	S OUT OUT	a Augusta	78,000	138	88	77.2%	23300	22.7%	-	14,500	8 2 8 2 2 8 2 2 8	•	8 5	1007	100	1 26.3%		0.75 0.75 7.84 7.84 7.84	1000	44,800	(5,609)	33,400	7.6% 7.6%	2002			9	1,3%	\$46,300	45,1%	
. Sandani 2000		:		104.100	1,200	105,300	77.77		22,3%	,	17,700	9,100		8			NAME OF THE PARTY	V / 18 P	(609) 25 C		(200)	(B)	(3,000)	1635	801	No de	200		30°C	U. Ta	3,0%	
		1999s	293,900	the King	207 E	006827	91,5%		111,000		100.000	32,000	10,200	6,600	13,200	13,88	162,000	27,0%	(21,000)	*CO.	(11,600)	(20,200)	(at KOO)	-15.6%	٠\$			7. P	(\$28,200)	•	4,7%	
•		Ode	\$ 005'291 !		107,500	Na ser			34,100		2	10,40 00,40	73%	006	9	7,200	83.70	35.6%	(21,100)	14,5%	(31,500)	(8)	1000	28.4%	Ş	3	\$ (40,700)		(\$20,100)	* :	14,1%	
		032	\$ 143,200	•	0000			2	32,900	20,04		2 8 2 8 3 8	6.1%	300	3,200	4.200	70,000	27.8%	(001,7)	5,0%	, 8	3 8		10,5%	. !	3	\$ (15,200)	10.5%	1		-	
	. 65	023			145,400	8	16.98	\$2.58 \$2.58	2,900	2	,	2, 20 20, 20 20 20, 20 20 20 20 20 20 20 20 20 20 20 20 20 2	52%	* 8	38	7,200	25.50	73.2%	(29,600)	-19,4%	•	96,5		(37,800)		8	\$ (38,000)	-24,9%	(224,600)		(57,800 (5,800)	
•	Foregraf 19	010	2 161.000		121,500	99.	122,900	16.07	38,100	2,123		21,28	700	8	8 8	92.7	002.15	20.45	6.800	4.3%	• 1	8		5 28		ᅙ			\$12,900	4.0.a	\$12,900	
Board of Directors, Budget 2000 Forecost 1359 VS . Budget 2000				. Nel Revenuo	Sole Sole	Ownership & Americation		•	Gress Profit	% to Net Revenue	Specific Fig. 1	Direct Operating Exp w/ Bad Dabt	Corporato Allocatón	Restrictife Charges	Depreciation & Amortization	Corporate Allocateds to a A	Depreciation & Amordization	Total Operating Expense		Operating Income (Loss) bold of increase	enegand Operation Discontinued Operation	Other Income / (Expense)	Interest Expense	Income (Less) before income Tax	% to Net Revenue	froms Taxes	American Commence of the Comme	Net income (coss)	SIES ROOM THE POLICE	of to Not Revenue	EBITDA with CPS Sale	% to Not Revenue
	9000 Burdens	Budgel 2300 02 03 G4 3000 5	Forenst 1999 G4 1999 G	Forenat 1999 Forenat 1999 Forenat 1999 Forenat 1999 Forenat 1999 Gis	Forenst 1999 Foren	Forenst 1999 Fo	Foreust 1999 Foreust 1999 Foreust 1999 Foreust 1999 121,500 5 192,800 4 143,000 107,600 143,500 103,000 103,000 11,200 13,000 13,000 103,000 1	Forenst 1999 121,000 \$ 192,000 \$ 103,000 \$	Portune 1999 Portune Portune	Forenst 1999 121,500 122,500 1	Forenati 1999 Fo	Foreuxel 1999 14,000 121,500 121,500 122,500 123,000 121,500 122,500 123,000 122,500 123,0	Forenst 1999 Foren	Forenst 1999 Fo	Forenst 1999 Foren	Forenst 1999	Foremst 1999 Fo	Foremat 1999 Forem	Forenasi 1899 Fo	Fortrand 1998 Fortrand	Foremai 1999 Fo	Fortream 1999 Fortream	Foremari 1999	Foremact 1999	Forestif 1999	Fortunati 1999	Foremate (1999 Fore	Column C	Column C	Forest 1999	The column Column	Color Colo

CORAIN HEALTHCARE CORPORATION	BOARD OF DIRECTORS, BUDGET-2000	CONSOLIDATED STATEMENTS OF CASH FLOW

				•	Cultural call a seri
		FOR THE THREE	FOR THE THREE MONTHS ENDED,		months ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2000 (Unaudited)	2000 (Unauditod)	2000 (Unitedited)	. 2000 (Unaudited)	(Dollandited)
OPERATING CASH ELOW CASH RECEIPTS	\$ 141,333	\$ 107,019	\$ 101,819	\$ 104,950	\$ 455,121
CASH DISBURSEMENTS NET OPERATING CASH FLOW	(137,064)	5,277	3,334	7,425	20,305
NON-RECURRING CASH FLOW CAPITAL EXPENDITURES	(2,052)	(1,143)	(448)	(326)	(3,969)
ASSET SALE, not of coats	1	65,000		• ·	65,000
INTEREST PAYMENTS PRINCIPAL PAYMENTS	(3,377)	(1,176)	(4,841)	(6,604)	(15,998) (60,000)
TOTAL PAYMENTS TO DEBT HOLDERS	(3,377)	(61,176)	(4,841)	(6,604)	(75,998)
RESTRUCTURING PAYMENTS	(5,154)	(2,127)	(1,484)	(1,269)	(10,034)
OTHER DISBURSEMENTS INCLUDING LEGAL FEES	(1,614)	(2,841)	(201)	€	(4,657)
TAX PAYMENTS	(125)	(125)	(125)	(125)	(600)
OTHER DEBT PAYMENTS NET OF INTEREST INCOME	(136)	(54)	(40)	(87)	(317)
TOTAL CASH FLOW	\$ (8,189)	\$ 2,811	\$ (3,805)	\$ (987)	\$ (10,170)
BEGINNING CASH	11,059	2,870	5,681	1,876	11,059

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CORAM HEALTHCARE CORPORATION	BOARD OF DIRECTORS, BUDGET 2000	COMPARATIVE CONDENSED BALANCE SHEETS

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	¥ ;	March 31, 2000	弓 :	June 30, 2000 -	Sople	Soplamber 30, 2000	, s	December 31, 2000	No.	November 30, 1999	28G .	Jacember 31, 1999 // Insudiled)
6 9 11 12 6	5	laudifed)	5	anoited)	2	(Onaudited)	2	Ougadied	1	Transpart .		ŀ
CASH CASH	47	2,870	49	5,681	U)	1,877	v	889	es .	12,715	. 49	11,059
ACCOUNTS RECEIVABLE		104,791		46.284		16.171		15,827	.•	19,735		20,545
PROPERTY AND EQUIPMENT, not		23,761		19,376		16,949		13,947		24,482		23,938
GOODWILL, net		219,333 32,408		216,537		35,155		34,244		33,978		33,587
TOTAL ASSETS	w	404,125	s,	377,594	103	367,486	~	360,320	<i>v</i>	447,703	\$	426,026
LIABILITIES AND STOCKHOLDERS, EQUITY												
CURRENT LIABILITIES RANK NERT	w	90,283	69	89,352	69	87,428 242,299	•••	86,494 242,289	₩	92,805 302,299	4 >	104,081 302,299
OTHER LONG-TERM LIABILITIES		18,313		18,576		18,846		19,141		17,959		18,177
TOTAL LIABILITIES		410,895		350,227		348,573		347,934		413,063		424,557
STOCKHOLDERS' EQUITY		(6,770)		27,367		18,913		12,386	1	34,640		1,469
TOTAL LIABILITIES AND STOCKHOLDERS' FOURTY	v	404.125	W	377,594	w	367,486	43	360,320	U)	447,703	67)	426,026

COMMENTS:

Stark it Equity Infusion, Estimated:
Using the Budget 2000 Stockholders' Equity, capital infusions would be required as noted:
1) To meet the Dacomber 31, 2000 minimum equity of \$75,001, \$62,701 would be required,
2) To meet the annual average test using 1998 and estimated 1999 and estimated 2000
Stockholders' Equity at December 31st of each period, \$120,000 would be required,
3) To meet the quarterly average test, using the quarterly estimates for 2000, 1999 and 1998, \$280,000 would be required.

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Board of Directors, Budget 2000 Forecust 1999 VS Budget 2000		:	•			Budget 2000		·		0006	Budget + Bettor (Worse)	Warse)	
•	Forecast 1939	27.0	034	gg	13830	jō	•	63	3	Size Size	828	1.9%	
	5	,	:	N 000 007	137 400	\$ 109,400 \$	102,000 \$	101,600	109,200	72,424	(Angels) .		
Nat Revenue	\$ 105,700 \$	100	nation of				•	-	200	200.300	(4,400)	7,47	
		•	0000	78 400	317,300	82,100	28,000	79,900	20,18		300	5.6%	
Cost of Sales	78,200	3	200	200	2,400	1,200	1 8	80		316	185%	-1.3%	
Treerecation & Amortization	8		3		22.65	83,300	78,300	81,200	8300	33,000		:	
A. C.	79,600		1,600	18/BO	317	75. 25.	77.77	77,6%	76.7%	75°F			
Citation Citation	75,3%	75.5%	74.6%	73.2%								746 34	
					200 200	26.100	22,700	23,63	29,200	37,76	(melal)		•
Gree Droft	26,100	26,600	27,800	3,45	75, 25	22.8%	22.3%	77.72	73,3%	*0.65			
. % to Net Roverue	24.7%	24.5%	25.4%	0.00									
•						•			!		44 700	17.1%	
Ownsting Expenses:		. !		90	CO 500	14,500	14,100	₹ 00,	14,200	3	386	30.5%	
Direct Operating Exp W/ Bad Dabl	4,700	(5,300	13,000	200		8	8,400	2,50	2,500	200	(max.)		
Carron to Allocation	338	5,700	6,700	3	700107	7 H 4	8,2%	777	%E9	7.3%	1	7.000	
A to Man Description	27.55	5.3%	6.1	1,3%	i i		.•	•	•	•	31.6		
% to Net Revenue	1,000	•	•	<u>¥</u>	5,100	8	Ş	8	8	200	000	torio i	
Restricting Charges		8	8	3,600	35 30 30 30 30 30	3	3 5	Š	3,500	13,300	(C)	-(023%	
Deprociation 5 Americanon	3 5	9	2500	2,500	9,700	2882			1	15300	(8)	7.7	
Corporate Alexander D & A			2370	9	15.200	2300	B	3			028	8.5%	
Deprecation & Amortization	2,800	3	315	22,52	112.400	25,200	26,500	2550	25,700	200		i	•
Tobi Operating Exponse	21.98	74.000			28.0.85	23.0%	26,0%	24.4%	23,8% 23,8%	* T			•
STATE NAME OF STATE O	20,7%	27.72	21.8%	24.5	****							4m 716	
				1000	mark m	008	(008,6)	7. 183	(20 <u>5</u>)	(5,500)	(ma'z)	٠	
Operating Income (Loss) before Interest	4,200	2,600	8	(10,000,000)	144	78.0	27.7	-20%	7,5'0			٠	
% the Mat Revenue	40%	2,4%	5	1814		-						7,00	
						•	•	•	•	•	•	7000	
snobeled Opening of the State of Control	•	•	•	• ;	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(000	8	9	8	8	3		
Other Investo (Findense)	(00s)	8	2	3 3	(A)	(9,500)	(3,600)	(2,600)	0200	13 13 13 13 13 13 13 13 13 13 13 13 13 1		2	•
Separat Francis	(4,500)	(5,400)	(6,200)	(6,100)	145,200							71000	
The state of the s			1		1000	(4.800)	(009'6)	(7300)	(6,200)	(28,500)	(met)	F2771-	
xema (Lase) before income Tax	(800)	(3,50 <u>0</u>)	(2,100)	(35,00)	(45,500)	7.07	2.4%	7.5%	47.7	1.0	•		
% to Net Revenue	42.6%	777		£.5".	200			•	;	ì		20.0	
	•	ě		5	200	8	8	2	B	3			
Income Taxos	8	3	3		-						. (0) 60	48.6	
		1		719 500) X	(25,400)	3 (4,900) \$	٦	9 (000)E	(Mr.a)	(ATT)	I		
Net Income (Loso)	2 (00%)	33,15		13.0%	\$ 1.5	4.5%	4.6%	7.6%	r o	* 0.0	·		
· 96 to Not Revenue	***************************************	7	7						1	2	(05,20)	35.8%	
	*****	66,470	28,600	(\$2,000)	\$22,000	35,200	21,300	2000	70.	200			
EBITOA without OPS Salo	75	188	7.67	7.8% -1.8%	5.1%	4,8%	13%	2,8%	4. 4.	t ? ?			
% to Not Revendo				1		. 800	\$1,300	83,00	\$4,500	\$14,100	(37,800)	10.01	
sies Ses the correspond	\$9,000	\$6,400	\$8,600	(32,000)	222	200,	7,6.7	2.9%	4.3%	386			
EBILD'S WAT C'S CAME	8.5%	5,8%	7.8.7	*(8)	5.1%	£4.4	3		!				
		;											

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=	00	Infusion Net Revenue Growth - '99 Vs '00	
Coram Healthcare Corporation	Board of Directors, Budget 2000	owth	
orpo	3udg	e Gr	
S	rs, E	renu	•
thca	ecto	Rev	
leali	foir	Ne	
ım h	80	sion	s,00
Core	Boai	Infu	\$ in 000's
_	,		

rid October Revenue, with inter-company transactions	\$ 380,000
Annualized Oct. YTD	\$ 456,000
Partnership Deconsolidation subtraction	(4,000)
Adjusted for Deconsolidation	 452,000
Annualized Losses Rnet and Prolastin	(63,000)
1999 with adjustment with full year impact of losses	389,000
Add back for Aetna & Prudential Q1 00	8,440
Restated 1999 Revenue	\$ 395,000
Target Budget 2000	\$ 424,200
Growth vs. Restated 1999 \$	\$ 29,200
Growth vs. Restated 1999 %	7.4%

										•																				•				12/22/199; 6:03 PM
Vorse)	×	73,7%	100.0%	\$0.0 \$	100.0%		200.0%			137,5%		*00	300	*60	133.3%			500.0%		0,0%	200	100.0%	400.04		200		400,0%		500,025		500,0%			12/22/09
Budgot . Better (Worse)	2	1,400	909	'	8	į		200		(2,100)	ř.	•	•		(1200)		•	1,000		٠	•	(QQ2)	8				\$ 800		\$1,000		\$1,000			
	2000	3,300		• •	,	. 7,00		30.00		1,900	8 2	t 1	•		185		129'EM	1,200	35,4%	•	•	(33)		20,5 20,5 20,5 20,5 20,5 20,5 20,5 20,5			1,000	NC DE	\$1200	38.4%	\$1200	35,4%		•
	700	1,300	. ,	• •		200	;	10.00 20.03	٠.	2005	8		•	1		3	452%	82	200	٠	• •	8	1	6 55 5 27.5 5 27		1	\$ 009	. %2'97	\$700	53.8%		53,8%		
•	10	2 000,1	į	• ;		1800		1,000 1,000 1,000		8	2	50°C	٠	•	1	ا 8	\$10°09	700	40.03	,	•	(100)		8 8		 	300	30,05	2000	40.0%	9274	70°54		
		2 009	•	•	 			500 200 200 200 200		200		%0°0	·•	1	1	8	83.3%	Ş	\$ 15 \$7.8		•	• •		5 5 5		۱ - 	28	16.7%	2	16.7%		2100		
	Budget 2000	10	· //	•		\ `\	%p'0	8	******	¥,	} '	7,00	••	.		8	100,0%		, 50 G		•			, 204	800	•		200	;	700		8	•	
		19990	1,900	800	'	ġ	42.1%	1,100	57.9%		88	5.3%	•	• •	١.	S			200	*c-01		•	1	28		1		375		3200	* C'Or	2200	10,5%	
		Q4e 19	** 8	. 005		88	37,5%	200	62.5%		8 8	12.5% 25.4%	•		 -	18			8	2042		•	•	202	25.0%			200 2		\$200	25.0%	2200	25,0%	
		270	\$ 006 \$. Ş	*	S	\$5,5%	\$	44.4%		8	0.0%	•	• :				* C'C	8	41.1%	•	•	-	8	11,1%	•		28	20,11	3100	11.12	3100	11,1%	
		020	8		• •		0.0%	8	100,0%		88	, 20°C		•	1		8		(100)		٠	•		605	100,0%	•		(<u>(0</u>		(\$100)	100.07	(\$100)		
		079	2 2		• •		Ses	\$	100.0%		8	, 100 		• •	•		\$	100.0%		7,00	٠	• •	1	•	200	,	1		200	· 8	7,0°0	\$	7.00	
Board of Ulracions, Sudger 2000 Forecast 1999 VS Budger 2000	•	••	O CONTRACTOR OF THE PROPERTY O	ייין יייין	Cost of Sales	Depreciation & Americanon	Tobi Cost of Sales	Se Not Constitue	Gross Profit		Operating Expenses:	Corporate Allocation	State Net Revenue	Resultante Americation	Corporate Allocation D & A	Depreciation & Amortization	Total Operating Expense	% to Net Revenue	tenalin and the set the second and and and and and and and and and a	% to Net Revenue		Other - Loss from Discontinued Operations	Other Income / (Expense)		Income (Loss) before income #2x		incame Taxes	Net Income (Loss)	% to Net Revenue		Kalloc Wildel of Cons		Selection of Carolina Selection of Selection S	•

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(DECOM)	×	450L	70.5%	0 6	C C	•	49'89'		75	65,3%	i	40.0%	3 6	3 8		3	•	77.5%	!	ì		2000	3	7.0 24.7	1		200	274 XV.	*	•	82.2%			1062.2%		
Budgat. Batter (Worse)	5	\$ (60,800)	52,700	•	52,700		(6,100)		. 98	3,200		• •	3	02	384	13,400		10.2	ممراه		* !	200	3,100	407.00	34.6		*		22.400	٠	\$3,700			\$48,700	٠.	•
	2000	25,700	22,00	. '	22,00	12.6%	3,780	12,4%	\$0.4	3.5 3.5 3.5	6.5%	•	•	8	8	5,200	22.25		(200) X8.25		•	45,000	(1.30)	•	42,200	R TA	•		47.200	47.2%	(2800)	1	;	\$44,200	47.0%	
	40		•	.		5,0,0	٠	970'0	•	• 1	200	•	•	1	1	ľ	0.0%		. 46	2		٠		•	,	200	,		*	\$0.0	S		e S	2	2,0%	
	O3		•	•		200	•	20.0%		•	, 40°C	i .	•	1			*00	į	- 20	t 25	•	,	•		•	, 20,0	•		,	500	8		\$0.0 \$0.0	3	200	
	02			• •		700	٠,	2,0,0		•	, 45	t a	•	.!	•	ļ.	1 200	ļ	•	100	•	45,000		ŀ	45,000	400	•		45,000 \$	7.00	•	2	3.0°0	\$45,000	7,00	
Trustens 2000	Budget zooo	\$ 25,700 \$		m'zz	22,000	85.6%	\$2F 4	7.4% 7.4%		2,800	5. 8.	7.0°0	•	202	2	878	32.55		(005'1)	*85	•		(1,300)		(008'2)	-10.9%	ļ		2 (COS) \$	l		(8800)	200	(000)	71.5	•
•	-000	15536	1	74,700	100	88.4%		11,800 13,6%	•	11,400	006,	5,7%	• (3.5		200	300	¥.7°C	(8,800)	7.8.2		•	· (W)		(11,200)	12.9%			* 264 9703	12.9%		(54,500)	423	100.00	(S) (S)	47.5
٠.		96		21,300	,			3,000 12,3%		65.50	8	7.4%	•	<u>8</u> 8	3	8	3	28.8%	(4,000)	-16.5%		•	14 100		(007 5)	.72.2%		-		20.00	İ	(22,300)	-13.6%		(3300)	10.01
		8	· ****	19,300		1930		3,300	ŗ	2 800	9	62%	•	2	3	8	88	21,2%	(005,1)	8.6%		•	• •			12.4%		1		(2021)	e .	(2300)	707		(300)	707
	53	073	00 iz	17,600		88	3	3,450		3,670	1.18	5.2%	•	8	ş	S	138	20,0%	•	7.87		•	•			(1,600)	r P			(C)	E 0.0	(CCC)	Ž.	:	(0023)	7.7
	Forecast 1999	615	\$ 18,600	16,500		16.500	* . * . * .	2,18	eru.		<u> </u>	42.5		8	8	8	288	14,0%	. 100037	(me)		•	•	8		(1,280)	e co				\$4.0°	9 5	300	•	S	7.0.0
Foregast 1999 VS Budget 7000					Cost of Sales	Total Cost of Sales	% to Nat Revenue	苦	% to Not Revenue	Operating Expenses:	Direct Operating Exp w/ Bad Dobt	Corporate Allocaton		Prevention & Amordiadon	Community Allocation D & A	Charles & Americation	Total Operating Proposes	of in Net Revenue		Operating Income (Loss) before interest	aniinas y sakanina	At 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Other Income / (Expense)	Sport		income (Loss) before income Tax	% to Net Revenue			Net Income (Loss)	% in Net Revenue		CHITCA without CPS Sale	K to Not Revenue	RAITDA With CPS Sale	% to Nat Rovenue
Forecast			Net Rovenue			Tobi Ce	Ž 9	Grass Profit	Z ::	Operating	Trees.	Coppi	Z I	Jacker C		Length	Hot	N H %	1	Shiringo	20	- 1040		Interest Exponsion		Income (I	% T %	Joseph Taxes		Nel Incon	Хя%		EBITOAN	Ź B.	ERITORY	Nº X

EBITDA with CPS Sale % to Net Revanue	% to Net Revenue	% to Net Revenue	Income Taxes Net Income (Loss)	Income (Loss) before Income Tax % to Net Revenue	Other - Loss from Discontinued Operations Other Income / (Expense) Interest Expense	Operating Income (Loss) before Interest % to Net Revenue	Total Operating Expense 서 to Not Revenue	Deprodution & Americation	Reductine Charges Reductine Charges	Direct Operating Exp wf Bad Debt Corporate Alteration Lt. Nat Remains	Gross Profit % to Nat Revenue	Total Coat of Safes % to Net Revenue	Cost of Salos Deproclation & Americation	Nel Revenue
10.7%	-1	3,900 3,900 3,000 3,000	5 1,700 \$	1,700 4,8%	(1,400)	1,100 1,100	. 1	8.700 8.700	88,	1,000 2,7%	28.8%	i	26,800	Forecast 1999 Q14 \$ 38,600 \$
-131.8%	-131.9%	(30,600)	(32,400) \$	(32,400)	(1,100)	-134,9%	20,512	7.18 8 8	88.	5,200 5,200 5,200	104.5%	NEW S	8	77,200 \$
, va.q.	48.0h-	(\$4,200)	(10,300) \$	100,0%	(800)		107.8%	11.18	2 2 8 8 8 8	,	13,0%	8 42	8 . 8	10,300 \$
*166.7%	-168,7%	(\$15,000)	(15,900) \$	176.7%	(50)	12.2%	57,8%	528	200	. 50 t	15.8%	. A.A.	7,500	9,000 3
\$8,0%	.58.0%	(\$45,900)	.71.5% -71.5%	71.9%	(002,E00)	-52,7% (11,800)	38,1%	36,136 138	8 g	130	-t4.7%	114.7%	90,700	79,100
400	(5400)	(\$400)	\$ (400)	0.0%	(£)	(00)				20,0	000	0.0%		\$ 07
0.0%	(\$100)	(3100)	2,000) \$	20.0	(100)	(100)		200		0,0%		0.0%		QZ
200	8	35.0	2,0,0	0,0%				g Ç	. : ,	2,00	. ;	, ,		. g
	. 8	30.0	0,0%	, se	. -		2,	20.0		20.0		2 5		CH 2000
	(\$500)	7,070 (\$25)	2003		(\$00)	(SOS)		70,0 70,0	ļ, l	, ,0,2	• .			2000
:	\$45,400	\$45,400	\$ 55,400		3,500 56,400	11,100	41,700	30,100	1,600	5,100 200	19,200	11,600	90,700	\$ (78,100) -100,0% 90,700 100,0%
•	22,0%	%6,88	83.17	אָסַמַ	100,0% B9.1%	95.7% 0.0%	100.0%	,00,0%	7,0°001 7,0°001	100.0%	18 08 04 04 04	100,014	70 00%	100.0%

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Contoute Summary		
		Page
2000 Key Initlatives		. *-
Forecast 1999 VS Budget 2000 - Annual	leunn	6.3
Forecast 1999 VS Budget 2000 - Quarterly	uarterly	4
Budget 2000, Cash Flow		ro .
Budget 2000, Balance Sheet	٠.	40
Forecast 1999 VS Budget 2000 - Infusion	fusion	7
Forecast 1999 VS Budget 2000 - CTI	т	9
Forecast 1999 VS Budget 2000 - CPS		10
Forecast 1999 VS Budget 2000 - RNET	NET	11
•	•	

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Board of Directors, Budget 2000 Coram Healthcare Corporation "Key Initiatives Orivers"

New Revenue Growth - \$29mm

- Generalist versus Specialist Sales force in 2000
- New Strategic Business Unit leadership driving new sales and marketing programs Manage Care carve-outs. New Hemophilio sales and marketing program expected to grow \$8.0mm (50%) in 2000.
- New national contract with United Healthcare (Q1) to replace projected Aetna last business in (Q2) 90% confidence level.

of Goods/Mix Improvement

- Commissionable therapy growth of new revanue at 70-80% standard margins versus current mix standard margins of 59%.
 - 2000 Sales Compensation only paying on commissionable therapies and EBITDA improvement ٠
 - Target low margin accounts for price increase
- 2000 COS from drug wholesoler, estimated onnual savings \$250,000.

Nursing Cast Savings

- * 1% improvement versus 1999
- Primary Care Management Model (PCMM) rolled out to reduce current cast per visit by 10%.
 - Standardize use of Home Healthcare Laboratory of America (HHLA) program in 2000
 - Moving nurse staffing to more variable versus fixed cost via per Per Dlems.
- Producing Monthly Mangement Reports to monitor Nurse Manager's performance under PCMM and HHLA.

Cash Collection Performance

- All 2000 Bonus and Sales commission plans will be tied to cash collection results to gain total support from each team member ta drive results. Rearganize reporting structure by moving Area Reimbursement Managers under AVP Operations to connect the front and back end process.
 - Dedicated individual to work with each Medicane DMERC location.

 - Hove begun legal communication with delinquent Payor Accounts.

<u>Sale of CPS Q2 - \$70 million generating \$60 million paydown of debt and \$45 million gain</u>

Company Wide Expense Management Control

- Headcount management controls established budget, performance, staffing model and Sr. Management approval ÷
 - Individual Budget Monthly Accountability; Weekly reporting of new cast savings initiatives
 - Elimination of discretionary spending; Micro Management by senior management

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ORPORATION	SUDGET 2000	SHEET AND	. SN
CORAM HEALTHCARE CORPORATION	BOARD OF DIRECTORS, BUDGET 2000	FORECASTED BALANCE SHEET AND	CASHFLOW ASSUMPTIONS

<u>\$</u>	. 6		,
20,5	37	\$ 70,000,000 (5,000,000) \$ 65,000,000 (14,200,000) (5,800,000) \$45,000,000	\$ 65,000,000 (60,000,000) \$ 5,000,000
78	39	2 S S S S S S S S S S S S S S S S S S S	% % %
10 10	50	Summary of CPS Sale, April 1, 2000 Estimated cash proceeds Estimated costs associated with sale Net proceeds on sale Net Book Value estimated Reserves from sale Estimated gain on sale	salc 1 of principle bt or operations
DSO	AP-Aging	Summary of CPS Sale, April L Estimated cash proceeds Estimated costs associated with Net proceeds on sale Net Book Value estimated Reserves from sale Estimated gain on sale of asset	Net proceeds on sale Paydown portion of principle on Scrics B debt Cash available for operations
\C	≅ .	ଳ	

All interest payments due on Bank debt in 2000 are paid in eash (no PIKs). \$60 million reduction in Series B debt principle from the sale of CPS. Senior Credit Facility line remains at \$44m with a 1/2 % pt. increase in 7/00.

 Credit facility borrowing base, using November 1999 A/R balances, without R-Net and CPS is \$52 million. With the credit facility at \$44 million, Coram could be required to report weekly financial data to the noteholders. 12/22/99; 8:09 PM

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	Budget - Bellar (Worse) \$ (146,700) -24.5%	159,800 28,0% 300 5,6% 146,100 28,7%	(6,600) 5,8%	75'50 (001)	-	3,800 18.2% 51,800 32,0%	45,200 88.6%	11,100 95,74, 45,200 4520,074, 8,500 21,574	108,000 115.1%	950°D	\$ 108,000 114,5%	\$ 42,200 149,6%	\$ 87,200 309,2%	
· -	Budger 2000 \$ 433,700	343,700 5,100 348,600 77,0%	104,400	001,50 001,50	2,000	110,200	(5,800)	(500) 44,200 (23,700)	14,200	200	3,0705	3,1%	13,000	
· ·.	Ferenai 1993 \$ 699,800	403,500 5,400 488,900 81,5%	111,000	100,000 32,000	5,520 5,600 13,200	18,800 162,000 27,0%	(51,000) -8.5%	(11,600)	(93,800) -15.6%	2005	\$ (94,300) \$	\$ (20,200)	\$ (28,200) 4,7%	
Coram Hasilhaare Corporation • Consolidated Board of Directors, Budget 2000 Forecast 1999 VS Budget 2000	Not Revenue	Gost of Salos Depreciation & Ameritzation Total Cost of Salos % to Not Rovenus	Gross.Prafi % to Net Rovenue	Oporeting Expenses: Direct Operating Exp w/ Bad Debt Corporate Allecation	% to Net Revente Restructure Charges Deproclation & Amerikation Gorporato Allocation D & A	Deproclation & Ameritation Total Operating Expense % to Net Revenue	Operating Income (Loss) before Interest % to Net Revenue	Other - Loss from Discontinued Operations Other Income (Expense) . Interest Expense	incomo (Loss) baíoro incomo Tax % to Not Revenuo	Incomo Taxos	Not Incomo (Lass) % to Net Ravenuo	EBITDA without GPS Sala 14 to Not Rovenue	EBITDA with CPS Salo % to Nat Revenue .	ri o

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(62)	70.76		28.9%	10.07	£ 107		.5.9%		743 54	22%	4.0001	69,7%	*****	7,026			88.5%		\$6.7%	21.5%	c+5.3%		%0°0.		14,576		149,5%		309.2%		122289; 6:09 PM
Budgat Better (Worse)	100000	2 (146,7W)	139,800	몽	140,100		(09'9)			(09L)	10.200	0097	8	085	01.00		45,200		•	6,500		ore ion			\$ 108,000		\$42,200		287,200	•	
ļ	2000	453,200	343,700	5,100	348,800	77.0%	104,400	23.0%		51,500 32,700	7.2%	2,000	** 8	18,000	110,300	24.3%	(5,800)	1.3%	(200)	44,200 (007,67)		14,200 3,1%	3		13,700	ion r	214,000	**************************************	000/658	300	
	770	\$ 009'601	. 44	8	83,000	75,8%	26.500	24.2%		7,500	28.5	, 8	3,500	000'9	26,300	24.0%	920	0.2%	•	(300)	1	(5,600)		8	(5,700) \$	-5.2%	\$5,300	4,8%	25,300	4.07	
	8	105,500 \$	500	300	81,200	78.9%	. 2	23,1%	•	14,500	727	• §	3500	8	25,100	24,7%	. 30g	%B'1-	•	(002)	(3)763	(1,600)	•	8	(7,700) 5	73%	\$3,400	3,2%	23,400	32%	
٠,	. 20	102,600 \$		200,87	28,300	77.3%	1	N. S. C.		14,600	9,2% 9,2%	• 8	3 5	80.7	80.22	26.3%	1000	(3,7,5) 13,8,5,	10001	1	(6600)	35,400		8	35,200 \$	34,3%	21,300	7,57	.\$46,300	45,1%	
	Burger 1000	235 500 5	•	104,100	1 25 5	77.77		30,200		17,700	07,8 47,8	•		188	0.00	22.7%		(609) (40) (40) (40) (40) (40) (40) (40) (40		8 8 8 8	(6,800)	(000'8)	3.00 P	8	5 (9100) 3	80%	20073	3,0%	200	30%	
		19936	- ma'sss	483,500	2,48	488 900	65.10	111,000		100,000	32,000	(0,200	6,600.	13.70	19,800	167,000	21.072	(21,000)	*	(31,500)	(30,200)	(33,800)	.15.6%	200		(3) (3) (3) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4		72 m	1000	7.7.7	
		Ţ	\$ 142,900 \$		3			34,100		33,500	10,400	£ 55	986	3330	7230	25,230	73°67	(21,150)	-14.0%	(11,600)	(800)	(40.600)	-28.4%	8		2 (20.700) \$		(\$20,100)		14.1%	
,	•		\$ 143,200 \$	109.000	55	110,300	10	32,930	40°C	32,000	8,700	, e.	8	225	4,200	8000	27,9%	(7,100)	10'S	* §	(8, 15) (8, 15)	/15 (DQ)	10.5%	8		\$ (15,200)	20,01	33,600		2.5%	•
	. 86	023	\$ 152,800	145 400	1,500	146,900	96.1% 14.	5,900	•	Ş	38 38 38 38	5,23	. 8	3,300	7,200	35.50	23.2%	(23,600)		•	(005) (1) (2) (3)	`		56		\$ (38,000)	* A * A * A * A * A * A * A * A * A * A	(224,500)	-16.1%	(524,800) -16,1%	•
	Forecast 1999	013	\$ 161,000	200 200	1,68	122,900	76.3%	38,100	Z,		2,12 2,834 3,000 4,800 4 4,800 4 4,800 4 4,800 4 4,800 4 4,800 4 4,800 4 4,800	3.0%	88	3	7200	31,300	13,4%	6,800	4.2%		(909) (909) (909)		02%		3	\$ (400)	42.2%	\$12,900	**************************************	\$12,500	•
Coram Healthcare Corporation • Consolidated Board of Directors, Budget 1900 Forecast 1999 VS Budget 1000	· ·	•	Surgery of the Surger		Cost of Salos	Cepreciation of Chickwell	% to Net Revenue	Hund sevel	% to Net Revenue	Operating Expension:	Direct Operating Exp w/ Bad Dobt	% to Net Revenue	Restructure Charges	Depreciation & American	Carporate Area Carporate	Tari Oceaning Frances	A to Not Revenue	Service Comments	Coparating income (News) Service income	Chief - Loss from Discontinued Operations	Other Income / (Expense)	· Interest Expense	Income (Loss) before Income Tax		income Taxes	Nat Income (Loss)	% to Net Revenue	EBITOA without CPS Sale	% to Net Revenue	EBITOA with CPS Sale	14 to Net Revenue

	CORAM P BOARD C CONSOLIDAT	Coram Healthgare Corporation Board of Directors, Budget-2000 Consolidated Statements of Cash Flow	oration Iget-2000 F Cash Flow		Proprietary end Confidential Final	
		HOOTH HITE OCH	AND AND THOSE MANAGEMEN		For the twelve months ended	•
:	March 31, 2000 (Unaudiled)	June 30, 2000 (Unavidled)	September 30, 2000 (Unaudiled)	December 31, 2000 (Unaudited)	December 31, 2000 (Unaudited)	
OPERATING CASH FLOW CASH RECEIPTS CASH DISBURSEMENTS NET OPERATING CASH FLOW	\$ 141,333 (137,064) 4,269	\$ 107,019 (101,742) 5,277	\$ 101,819 [98,485]	. \$ (04,050 (97,525) 7,425	\$ 465,121 (434,816) 20,305	
<i>Non-recurring cash elow</i> Capital Expenditures	(2,052)	(1,143)	(448)	(326)	(658'6)	•
ASSET SALE, not of costs		. 65,000	•	•	65,000	
INTEREST PAYMENTS PRINCIPAL PAYMENTS	(3,377)	(1,178)	(4,841)	(6,604)	(15,998)	
TOTAL PAYMENTS TO DEBT HOLDERS	(3,377)	(61,178)	(4,841)	(6,604)	(75,998)	
RESTRUCTURING PAYMENTS	(5,154)	(2,127)	(1,484)	(1,269)	(10,034)	
OTHER DISBURSEMENTS INCLUDING LEGAL FEES	(1,614)	(2,841).	(201)	8	(4,657)	
TAX PAYMENTS	(125)	(123)	(125)	(125)	(2003)	
OTHER DEBT PAYMENTS NET OF INTEREST INCOME	(136)	(45)	(40)	(87)	(317)	
TOTAL CASH FLOW	\$ (8,189)	\$ 2,811	\$ (3,805)	\$ (987)	\$ (10, (70)	_
BEGINNING CASH ENDING CASH	11,059 \$ 2,870	2,870 S.5,681	5,681 5,016	1,876 \$ 889	11,059	_

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		COR BOA COMPAR	AM HEA RD OF I	coram Healthcare Corporation Board of Directors, Budget 1800 Parative Condenseo Balance she	BUDGE BALAN	Coram Healthcare Corporation Board of Directors, Budget 2010 Comparative Condensed Balance Sheets				Proprii	Blary 4n	Proprietary and Confidential Finel
	March C - 2000 (Unaudit	March 31, 2000 Unsudited)	, 2 , 2	Juno 30, 2000 (Unaudiled)	Sopler	Sopismber 30, 2000 (Unaudiled)	Dec. (2, 12)	Decomber 31, 2000 (Unaudited)	8 2	Nevembor 30, 1999 (Unavdiled)	2 2	Dacambar 31, 1999 (Unaudited)
ASSETS CASH ACCOUNTS RECEIVABLE INVENTORIES PROPERTY AND EQUIPMENT, nel GOOGWILL, nel OTHER		2,870 104,791 20,962 23,761 216,333 32,408		5,681 83,481 16,281 19,376 216,537 38,238	un	1,877 89,593 16,171 16,849 213,741 36,155	**	889 84,488 15,927 15,945 34,244	.,	12,715 130,730 19,736 24,482 228,061 33,878		11,059 114,888 20,645 23,538 33,587
TOTAL ASSETS LIABILITIES AND STOCKHOLDERS LEGUITY		404,125	8	377,594	••	367,486	**	160,320	~	447,703		426,026
Current Labilités Bank dest Other Long-term Labilités Tota I Inbritités		90,283 302,299 18,313 410,895		89,352 242,298 18,578 350,227		87,428 242,289 16,646 348,573		86,494 242,299 19,14f 347,934	»	92,805 302,298 17,959 413,063	.,	104,081 302,289 18,177 424,557
STOCKHOLDERS' EQUITY TOTAL LABILITIES AND STOCKHOLDERS' EQUITY		(6,770)		27,367 377,584		5 3	*	12,386	· •	34,640	5	1,469

Stark it Equity Infusion, Estimated:
Using the Budget 2000 Steckholders' Equity, capital infusions would be required as noted:
1) To meat the December 31, 2000 minimum equity of \$75,001, \$62,703 would be required,
2) To meat the annual sverage last using 1938 and estimated 1999 and estimated 2000
Stockholders' Equity at December 31st of each paried, \$120,000 would be required,
3) To ment the quantity svorage last, using the quantity astimates for 2000, 1999 and 1998,
\$280,000 would be required.

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•	Budgel - Better (Worse)	3	s (6,200) -1.		8			11- (005/21)			25 (05'L)		2,58	•	•		_		(008,5)			8, 3		(2,620) -10		D	(009'2)		SE- (006,78)		SE (025.72)		
	٠	2000	424,200	. 5	2,100	326,800	77.0%	97,400	20,02		000 00 000 00 000 00	7.3%	• !	8 5	33.5	36.5	202.500	450°	(2,500)	4.00°	,	02 2	(ZZ200)	(005'82)	5.7%	88	(000,52)	¥8,9	\$14,100	3,3%	\$14,100	11 ×600	
		2	108,200	1	300	83,000	78.7%	00.30	20,2%		14,200	[§	•	8	3,500	883	22,78	23.62	(200)	92%	•	(O)	(250)	(6,200)	A. 7.5	ĝ		5.8%	\$4,600	4,3%	\$4,600	4,3%	
		20	104,600 \$. !	86.5	81,200	77.6%	2	27.4		14,000	727	•	8	320	887	25,500	24.4%	(2,100)	20%		(200)	(550)	(008)	7.8%	ă	4 (000)	7,87	23 000	2,9%	23,000	2.9%	
•	. ,.	. 65	102.000 \$		78,000	00:82	77.77		22,700		14,100	00**		9	3200	700	26,500	26.0%	(3,800)	37%	•	66	(2,600)	19 600	10.00	82	*	3.65	200	13%	\$4.300	3,5,2	
		Budgel 2000	6		82,100	2077			25,100		14,500	87,7	* OF 1	8	2,600	3,300	25,200	23.0%	8	36B'O	٠,	(30)	(5,500)	W BOW	4.4%	<u>8</u>		5 (4,300) 3		4,8%	2002	4,8%	
			19990	2 432,400	317,300	\$	322,700	74,634	109,700		005:33	22,600	5.5%	5,100	702	W. 27	142 400	26,0%	SOL U	79'0 '0'27'	•	. (000 17	(22,200)		(25,900) 40,0%	88		\$ (26,400)		5.1%		522,000	
			96	\$ 108,800		1200	į		29,200			•				Ì	1	39.75		(13,500)			6, 18, 18		(19,500)		3	\$ (19,600)		(\$2,000)		(22,000) 1,8,1-	
			934	\$ 109,400	80.300	8	81,620	74.8%	27,800			2 E				Ì	į	2 80		8 2			8.28	ļ	(2,100)		8	7	*20%	898		7.9%	
•		.000	020	\$ 108,500	007.08	1502	81,900		26,600		. }	37.5			8	2,48	88	80 2		2,600			(S) (S)	1	(3,500)		28	5	*	*	r n	%6'S	
-		The court of	610	\$ 105,700	50.04	3	79,500	75.3%	26,100	24,7%	;	8,78	31.6	00,	8	2,300	2,98	21,900	K /'nz	5,28	70	•	(999)	WE'S	(00)		\$	\$	450	89,000	8,5,8	89,000 8.5%	
Coram Healthcare Corporation - Infusion	Forecast 1999 VS Budget 2000					Cost of Sales		% to Net Revenue	# 5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	St to Net Revenue	Ocerating Expenses:	Direct Operating Exp w/ Bad Debt	Corporate Allocation	Sometiment Charles	Depredation & Americation	Comorate Allocation D & A	Depreciation & Americation	Total Operating Expense	% to Nel Revenue	Operating Income (Lass) before interest	% to Nel Rovenue		Other Income / (Expense)	interest Expense	Income (Loss) before income Tex	% to Net Revenue	Income Taxes	Net Income (Loss)	% to Net Revanue	EBITOA without CPS Sale	% to Net Rovenue	EBITDA with CPS Salo	Animal Control of the

Yid October Revenue, with inter-company transactions	\$ 380,000
Annualized Oct. YTD	\$ 456,000
Parneiship Deconsolidation subiraction	(4,000)
Adjusted for Deconsolidation	452,000
Annualized Losses Rnet and Prolastin	(000,63)
1999 with adjustment with full year impact of losses	000'682
Add back for Aeina & Prudential Q1 00	
Restated 1999 Revenue	\$ 395,000
Target Budget 2000	\$ 424,200
Growth vs. Restated 1999 \$	29,200

Growth vs. Restated 1999 %

						•								•														. ·			٠	12/22/59; E:09 PM
Worse)	73.7%	100,01	* CO'O	10001		200,0%		. 497.5%	-100.0%	%00	4,00	%0'0 ·	, 0,0%	-133.3%			\$0'00S		700	800	************	400.004		0,0%	***	40000		200.0%		£0000		22/13
Budget - Better (Worse)	\$ 1,400	.008		88	٠	2,200		1949	(0) (0) (1)		•	••	,	(4.200)			1,000		•	• 6	(30)			•		800		\$1,000		21,000	•	
2000	3,300	•	•	1	3,00	4300	100,001		8 8	8.1%	•	• •				*4°23	1,200	36.4%	: •	•	00Z	, CO	30,3%	•		200	A CO	21,200	35.45 \$4.65	\$1,200	38,4%	
	1300 \$	•	• •		%D'0 .	1	100.0%		8 5	7.7	•			-	8	48.2%	82	53.8%	•	•	(100)		46.2%	1	-	\$ 039	48.2%	\$700	20.8%	. \$700	18 EX	
	200		, ,		20.0		100.01 20.02		8	10.05 20.05	•	,		•	88	50.0%	, pur	10.03 20.03	1	•	(100)	1	30.05		•	300	30,0%	2400	40.04	\$400	%0'0 ?	
	20	8	• •1	· 	200		600 100.0%		85	7,00	•	•	7	,	88	EG.3%	ş	8 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13	•		.*		8 8 %7.8			100 \$	16,7%	\$100	. 18.7%	22	18,7%	
Budget 2000	Ö	n 8	•		200		400 100.0%		400	, 20.6	.	•	*		ş	10.0%		0.0%		•			* ***		1		7,0,0		760'd	5	%O'0	
	1999	084	008	•	8	42.1%	1,100		93	8	25.3%	, ,	•	1	100		K 0' / *	200	4.c.OL	•		1	8	10.5%	1	Ş	380		2501 2501	1	ioss ioss	
	Ode	\$ 002	8		ş	37.5%	8	We 70	900	\$	12.5%	•			•	3	37,5%	8	7207	• ·	•	1	200	25.0%	1		250 2		2500		\$200 25,0%	
	200	2 88 2	9	'	8	85.5% 19.5%	8	1.3.77	Ş	} '	3,60	•	•	1		8	12 H	8	11.1%	•	٠	1	\$	11,1%	٠		<u>8</u>		818		\$100	
	79	8	•	• •		20.0	8	200		₹.	0.0%	٠	•			8	200.0%	8	-100.0%	•			8	*0.00	•		(<u>(3)</u>	*0000	(\$100)	.100.03	(8)	
	Forecast 1999	8	٠.	. .		0,0%	. 8	100,0%	1	8 '	0.0%	•	•	•	1	8	100,001	٠	20.0	•	• •	1	•	20.0	•			*0° .	S	20.0	8	* D'O
Board of Directors, Budget 2000 Forecast 1999 VS Budget 2000		Net Description		Cost of Sales	Depreciation & Amorezation		· Had some	% to Net Revenue	Operation Expenses:	Direct Operating Exp w/ Bad Debt	Corporate Allocation	o thinking Chame	Commenter & Americation	Corporate Allocation D & A	Denomination & Americation	Table Contract of the Contract	W to Net Revenue	is a second form in the second	Operating income (Loss) bold a mission of the Nat Revenue		Other - Loss from Discondnued Operations	Other income (expense)		income (Loss) before income rax		Incime Texes	Not (neeme (Less)	% to Not Revenue	FBITOA without CPS Sale	% to Nat Rovenuo	EBITDA with CPS Sale	% to Net Revenue

				٠				•	•	٠		•					,	•																	,	-		MG EGG PM
Yorse)		*10'0's	70.5%	3,0°0	70,5%	٠		*8°E			75,4%	\$5.38 \$5.38	4200	10.00	7,273	. 69.6%	72.0%			77.9%		7,500	3000	70.5%		. 476.8%		,	0.0%	76.8%			82.2%		1062.2%	•		
Budget - Better (Worse)	5	(60,800)		1	52,700			(8,100)			909'8	3,200	•	, 65	2002	99	207	2007		9003			* 64 27		37.75				*	50 52	20,000		23,700		548,700			٠
	3000	25,700		22,000	2000		80'00	3,700	14.4%		2.800	2,700	%9°9	•	'	3	3	2500	2022	1000	38.5	•	• !	8. 8	(SE)		42,500	5	1		22.20	# T T T T T T T T T T T T T T T T T T T	(2800)	43,1%	244.200	1720%	'i	
	ğ			• :	<u>'</u>	1	200		7,00		•	•	7,00	•	•				20.0		. 200	}	,	•	•		, ;	1	•		*	* 000	8	70°0	S	X0'0		•
	6	,		•	1		*00	•		•	•.	• 1	X0.0	•		•	,	•	2,00		• 6	200	•	•	,		•	0.0%	. •		•	70°0	8	70°C	•	Xoo		
	97		•	•	•	1	20.0		7,00				200	·	•	'	•	•	100		•	%0°0	•	45.000	•		600,24	200	,		45,000 \$	200	S	20.0		2000		
4000	Budget 2000		3)(2	000'22	•	22,000	85.6%		8/2	e e e e e e e e e e e e e e e e e e e		8	2021	***	•	202	12	2002	20.00		(1,500)	78.5°		•	(1300)		(2,800)	76'01-			\$ (2,800) \$	l	(Maya)	1000 E		(0085)	ž	
٠		1995	005'98 s	74.700		24.700	12/28		11,800	13,6%		11,400	8	5,7,5	٠ ٤	3 5			S S S S S S S S S S S S S S S S S S S	21.5%	(6,800)	7.5%		•	• 55	(442)	(24 700)	12.9%	,	1	(415 314)	75.9%		(305)	2 4 6	(500)	5,2%	
		30	24,300	200	75.5	1			3,000	12,3%		505	98	7.4%	' ;	<u>8</u> [2	708	28.8%	(0007/	-18,5%		•	•	891	1007 30	70000		•	(6, 1,	32.25		(53,300)	.13.6%	(000'63)	-13.6%	
• •		O3a	22,500 \$. ;	18,300	•	18300		3,300	14.6%		2 800	99	6.2%	٠	2	8	8	4,800	21.2%	14 5001	6.55 6.55 6.55 6.55		•	•	(R)	9	(2,900)	16.40			(2 EDG)	2	(3900)	***	(2300)	1,0,1	. jegor
		Q23	}	1	17,600		8	27.87	3,400	162%		8	35	52%	•	20	ş	8	4,200	20.0%		(28 F)		٠	•	<u>(188</u>	,		ę P	•	ŀ	* (00g't)	K O	(200)	-1.4%	(0024)	×4.	1 millen, Budget
	Forecast 1999	200	\$ (6.500 \$	• •	18,500	•	16,500	53.7%	200	11,3%			3 5	32%	•	32	Ş	8	2,600	14.0%	•	9 6		•	•	(002)		(1,200)	r n	• !		\$ (02'1) \$	7.5°	. 0	2.0.0	8	0.0%	any elimination, \$2
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Coram Healthcare Corporation - RNET Board of Directors, Budget 2000	Foregraf 1999 VS. Budget 2000		Not Revenue		Depreciation & Americation	Total Cost of Sales	Gross Profit	% to Net Revenue	Operating Expenses:	Direct Operating Exp W/ 889 Uses	% to Net Revenue	Restructure Charges	Dapreclation & Americation	C B O HOUSE ON THE PRODUCT	Deprocation of Americania	% to Not Revenue	Operating Income (Loss) before interest	% to Not Revenue	Others tass from Discentinued Operations	Other from a / (Expense)	Income (Loss) before income Tax	% to Not Revenue	income Takes	Not income (Locs)	% to Net Revenue	EBITOA without CPS Sale	EBITOA with GPS Sale	% to Nat Revenue

Exhibit B

Case 1:04-cv-01565-SLR Document 185-3 Filed 08/21/2007 Page 40 of

REPORTER: LORRIE L. MARCHANT, RPR. CRR. CSR. NO. 10523

EXHIBIT:

Witness:

67 # of pages: 18

MINUTES OF A TELEPHONIC MEETING

OF THE BOARD OF DIRECTORS OF

CORAM HEALTHCARE CORPORATION

December 21, 1999

A telephonic meeting of the Board of Directors of Coram Healthcare Corporation (the "Company") was convened at approximately 9:35 a.m. MST. Participating in the meeting were the following Directors: Daniel D. Crowley, Chairman of the Board, Chief Executive Officer and President; Donald J. Amaral; William J. Casey; and Richard A. Fink Stephen A. Feinberg and L. Peter Smith participated in the meeting as indicated below. Alley J. Marabito, Executive Vice President; Wendy L. Simpson, the former Chief Financial Officer of the Company; Vuo Ponzio, Senior Vice President, Human Resources; Scott Danitz, Vice President and Controller, and Scott T. Larson, Senior Vice President, General Counsel and Secretary, also participated in the meeting. Also in attendance as indicated below were Dan Smithson and Kuri Davis of Dynamic Healthcare Solutions; Christina Morrison of Deustche Banc Alex Brown; Alam Kornberg of Paul, Weiss, Rifkind & Garrison; and Michael Kahn of Folger, Levin & Kahn. Mr. Crowley acted as Chairman of the meeting and Mr. Larson kept the minutes.

REVIEW AND APPROVAL OF MINUTES FROM PRIOR MEETINGS

The first item of business was a review and consideration of the minutes from prior meetings of the Board of Directors that had been circulated to the Board. Upon a motion duly made and seconded, the minutes from the prior meetings of the Board dated October 22 and 27, 1999, and November 2 and 17, 1999, were unanimously approved as presented.

FINANCIAL UPDATE

The first portion of the financial update was a report on the status of the sale of the Company's prescription services division, Coram Prescription Services (*CPS**). Christina Morrison outlined that actions that had been undertaken in connection with the sale and summarized the status of the auction process. This included a description of the numbers of parties that had expressed interest in CPS and the numbers of parties that had obtained offenny memoranda describing CPS. Mr. Feinberg joined the meeting, Ms. Morrison responded to the questions of the Board and completed her status report. Ms. Morrison departed from the meeting. The Board continued to discuss the prospects for selling CPS and various alternatives such as reducing its costs and retaining its operation in the event no appropriate or reasonable bids were received for the division.

The next portion of the financial report consisted of a summary of Company operations during the fourth quarter of 1999 and the anticipated need for taking a restructuring charge in such quarter for a variety matters. A schedule outlining the proposed charge was included with

Minutes of the Board of Directors December 21, 1999 Page 2

the materials presented to the Board of Directors. The discussion that ensued included, among other items, certain cost cutting measures, such as head count reductions and related severance costs, liquidation of the Resource Network division, write downs of the Company's accounts receivable balances, and anticipated impairment of the goodwill that had been recorded on the Company's balance sheet. Upon a motion duly made and seconded, the Board unanimously approved the reporting of a proposed restructuring charge, subject to audit by the Company's independent auditors, that would be taken in the Company's financial statements for the fourth quarter of the year ended December 31, 1999.

Management then summarized the Company's financial performance during the fourth quarter of 1999. The discussion included a description of certain factors that impacted the Company's financial performance, including the mix of therapies provided by the Company, the use of per diem employees, write-offs of accounts receivable, and other factors. A discussion of the Company's cash collections and uses thereof then ensued.

Management then presented the budget for the upcoming year ending December 31, 2000. Copies of such budget had been distributed to the Board prior to the meeting. The presentation included a discussion of certain assumptions that were used in creating the budget, including the sale of CPS. Following a discussion and upon a motion duly made and seconded, the Company's Year 2000 Budget was unanimously adopted and approved as presented.

The next portion of the financial update was a discussion of the Company's listing status with the New York Stock Exchange (the "NYSE"). Ms. Simpson reported on the types of information that would be presented to the NYSE in response to their prior request for information regarding the Company's plans for bringing the Company back into compliance with the minimum listing requirements for the NYSE. The dialogue also included the strategies management was recommending in the event the NYSE commences de-listing procedures. The discussion then turned to the relative costs and benefits of maintaining the NYSE listing. Upon a motion duly made and seconded, the Board adopted the resolutions set forth on Exhibit 1 hereto regarding the Company's listing on the NYSE listing and moving to the Over the Counter Bulletin Board maintained by the National Association of Securities Dealers.

Mr. Reinberg reported on preliminary information regarding a debt to equity conversion. The conversations occurred pursuant to the discussions this Board had on December 17, 1999 regarding the Company's compliance with the "public company" exception to the Stark II Law. The Board then discussed a strategy for pursuing the conversion with the debtholders: Upon a motion duly made and seconded, the Board engaged Alan Kornberg to assist the Company in exploring a conversion of debt to raise the Company's stockholders' equity.

The Board then renewed its discussion of a special independent committee to negotiate, as needed, the terms of any such debt conversion. Upon a motion duly made and seconded, the

Minutes of the Board of Directors December 21, 1999 Page 3

Board unanimously adopted a resolution establishing a special independent committee comprised of Messrs. Casey, Fink and Smith to work as required with Mr. Komberg in obtaining and negotiating the terms of an equity conversion as of December 31, 1999.

LEGAL UPDATE

Mr. Kahn led a privileged and confidential discussion of the status of the litigation between the Company and Aetna U.S. Healthcare, Inc. ("Aetna"), including the procedural status of the case.

Mr. Kornberg then reported on the status of the bankruptcy proceedings involving the Company's subsidiaries, Coram Resource Network, Inc. and Coram Independent Practice Association, Inc. The discussion also included a privileged and confidential report on the status of the liquidation of these subsidiaries.

Additional privileged and confidential reports regarding the status of the dispute involving the Internal Revenue Service and the litigation with PriceWaterhouseCoopers were then given. The Board requested an update at a later time.

Messrs. Kahn and Kornberg and Ms. Simpson departed from the meeting.

COMPENSATION AND OTHER ISSUES

The Board then considered the management incentive compensation plan described in the materials previously distributed to the Board in connection with the meeting. After discussion and upon a motion duly made and seconded, the Board unanimously approved the management incentive compensation plan in the form presented.

The cost of the 401(k) match by the Company was discussed, and the Board considered a proposal to discontinue the Company's matching of employee contributions under the Company's 401(k) plan. Upon a motion duly made and seconded, the Board unanimously adopted the resolutions set forth on Exhibit 2 hereto regarding the discontinuance of employer matching contributions under the Company's 401(k) plan.

The Board considered the level of directors' and officers' liability insurance ("D&O Insurance") that the Company currently maintains. A recommendation was made to increase the level of D&O Insurance coverage to a total of \$100 million through serial layers of coverage. The Board discussed the necessity of the increased D&O Insurance coverage given the challenges and uncertainties facing the Company and determined that it was in the best interests of the Company and its stockholders to obtain such coverage. Upon a motion duly made and

Minutes of the Board of Directors December 21, 1999 Page 4

seconded, the Board unanimously adopted the resolutions set forth on Exhibit 3 regarding the procurement of such D&O Insurance.

The discussion then turned to a proposal to settle a dispute between the Company and Julia Kopta, Esq., the former Special Counsel to the Chief Executive Officer. After a review of the proposed terms and the Board's questions having been responded to, the Board unanimously resolved to authorize management to settle the Company's dispute with Ms. Kopta on substantially the terms in the materials presented to the Board coupled with a general release from Ms. Kopta.

Next, the Board considered a proposal to retain the interim services of its former Chief Financial Officer, Wendy L. Simpson, on the terms distributed to the Board prior to the meeting. Upon a motion duly made and seconded, the Board unanimously resolved to authorize management to offer an engagement to Ms. Simpson on the terms presented to this Board.

Mr. Smith departed from the meeting.

A discussion then followed regarding the retention of Dynamic Healthcare Solutions, L.L.C., a consulting firm affiliated with Mr. Crowley. Mr. Crowley outlined the experience and credentials of the persons at Dynamic Healthcare Solutions that he expected would provide services to the Company on an as needed basis. After discussion and upon a motion duly made and seconded, the Board unanimously adopted the resolutions attached hereto as Exhibit 4 regarding the retention of Dynamic Healthcare Solutions.

The next item was the consideration of Sandra Smoley as a candidate who would join the Company's Board of Directors. Mr. Crowley reviewed with the Board materials describing Ms. Smoley's background and experience that were distributed to the Board prior to the meeting. The Board members expressed their interest in meeting and interviewing her regarding her candidacy as a potential member of the Board.

It was noted that February 10, 2000 was the next scheduled meeting of this Board. The Board agreed to hold the meeting telephonically on such date.

There being no further business, the meeting was adjourned at 11:15 a.m. MST.

Respectfully submitted,

Scott T. Larson

Secretary

CORAM HEALTHCARE CORPORATION

RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, shares of the Company's \$.001 par value common stock (the "Common Stock") have been listed and traded on the New York Stock Exchange (the "Exchange") since the Company's inception in 1994;

WHEREAS, the Company has received notice from the Exchange that the Company has fallen below the criteria required for continued listing on the Exchange and has requested that the Company develop a plan for addressing such non-compliance or have the Common Stock de-listed from the Exchange;

WHEREAS, listing the Common Stock on the Exchange not only requires compliance with the listing criteria, but also requires the Company to pay certain listing fees and to devote attention to complying with the rules and regulations of the Exchange;

WHEREAS, this Board of Directors has determined that the costs of maintaining the listing of Company Common Stock on the Exchange outweigh the benefits of continuing such listing and has concluded that Company management should focus its attention on operating the Company's business and should take steps to remove the Common Stock from listing on the Exchange in a way that would not be unduly disruptive to the business of the Company and the market for Common Stock; and

WHEREAS, Company management has learned that shares of the Common Stock may be traded through the over the counter electronic bulletin board operated by the National Association of Securities Dealers (the "OTCBB") if the Company is able to enlist two qualified securities firms that would make a market for Company Common Stock;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman, Chief Executive Officer and President, any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed for and on behalf of the Company to execute and deliver all agreements, documents or certificates and take all steps, including, but not limited to, the identification and retention of market makers for Common Stock, as any such Authorized Officer may deem necessary, appropriate or expedient to facilitate the move of the vehicle for trading of shares of Company Common Stock from the Exchange to the OTCBB or another appropriate securities exchange; and

FURTHER RESOLVED, that all prior actions taken by the Authorized Officers with respect to the foregoing are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents; agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

CORAM HEALTHCARE CORPORATION

RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, Coram Healthcare Corporation (the "Company") has established and adopted the Coram Healthcare Corporation 401(k) Plan, as amended (the "Plan") to serve as a benefit to attract and retain qualified employees;

WHEREAS, Article VI of the Plan contemplates that the Company would match a certain portion of the contribution made by qualifying employees participating in the Plan using shares of the \$.001 par value common stock of the Company ("Company Shares"); and

WHEREAS, the Board has been provided with a summary of the financial condition of the Company and has determined that it is in the best interests of the Company and its stockholders, given the condition of the Company, to amend the Plan to cease providing the employer match contemplated by Article VI of the Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Company, as administrator of the Plan, hereby adopts, approves and confirms the amendment to the Plan set forth on Exhibit A hereto to effect the elimination of the employer match component of the Plan as contemplated by such amendment;

FURTHER RESOLVED, that the officers of the Company are hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, amendments, agreements and certificates as such officers shall deem necessary, appropriate or expedient to carry out the intent of these resolutions.

FURTHER RESOLVED, that all prior actions of the Authorized Officers with respect to the foregoing matters are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

CORAM HEALTHCARE CORPORATION

RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, this Board of Directors recognizes that the Company is facing a number of serious financial, litigation, operational and other challenges that may impair its ability to attract and retain qualified and experienced persons to serve on its Board of Directors and to serve as officers;

WHEREAS, this Board has previously authorized Company management to obtain insurance to cover the errors and omissions of its directors and officers in the course and scope of their employment and/or engagement with the Company and the Company currently maintains such coverage totaling \$35 million; and

WHEREAS, this Board has determined that obtaining additional levels of insurance to cover such acts or omissions of its directors and officers would be in the best interests of the Company and its stakeholders;

NOW, THEREFORE BE IT RESOLVED, that the Chairman of the Board, Chief Executive Officer and President or any Executive Vice President, any Senior Vice President, any Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed to obtain and expend Company funds to obtain additional insurance to cover certain acts or omissions of its directors and officers supplementing the Company's existing coverage to bring the overall coverage under such policies to an aggregate of \$100,000,000 to be effective as of November 30, 1999;

FURTHER RESOLVED, that all prior actions taken by the Authorized Officers in searching for, negotiating, obtaining and binding the director and officer insurance coverages that were outlined at this meeting are hereby ratified, confirmed and approved as the acts and deed of the Company; and

FURTHER RESOLVED, that each Authorized Officer is hereby authorized, empowered and directed to take such further actions and make and execute as the act and deed of this Company any agreement, certificate or document as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions taken are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

CORAM HEALTHCARE CORPORATION

RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, this Board of Directors elected a new Chairman of the Board, Chief Executive Officer and President effective November 30, 1999, to lead the Company and its management team;

WHEREAS, the new Chairman of the Board, Chief Executive Officer and President has recommended that this Board consider continuing the use of his health care consulting firm, Dynamic Healthcare Solutions, L.L.C. ("Dynamic Healthcare"), so that the Company may continue to benefit from the consulting services offered by Dynamic Healthcare and its staff of professionals that are experienced in improving the performance of health care companies;

WHEREAS, the new Chairman of the Board, Chief Executive Officer and President has provided this Board with a summary of the experience and credentials of the Dynamic Healthcare staff and the role that he expects Dynamic Healthcare will play in consulting with the Company;

WHEREAS, the rates applicable to the engagement of Dynamic Healthcare are outlined on Exhibit A hereto and would be set forth in a Consulting Agreement that would be substantially similar to the Consulting Agreement previously negotiated between the Company and Dynamic Healthcare, recognizing that certain members of Dynamic Healthcare have become officers or employees of the Company; and

WHEREAS, this Board has determined that continuing the relationship with Dynamic Healthcare on the terms contemplated hereby would be in the bests interests of the Company and its stockholders due to, among other factors, the experience and credentials of the members of the team at Dynamic Healthcare and the established relationship they have with the Company's new Chairman of the Board, Chief Executive Officer and President;

NOW, THEREFORE BE IT RESOLVED, that the Chairman of the Board, Chief Executive Officer and President or any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed to execute and deliver, on behalf of the Company, a new consulting agreement with Dynamic Healthcare using the principal terms presented on Exhibit A with these resolutions and in substantially the form of the prior agreement

negotiated between the Company and Dynamic Healthcare with such changes as such Authorized Officers may deem to be, in their discretion in the best interests of the Company; and

FURTHER RESOLVED, each Authorized Officer is hereby authorized, empowered and directed, for and on behalf of the Company, to take all such other actions and execute all such documents, certificates and agreements, as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above.

EXHIBIT A

Coram services to be billed by Dynamic Healthcare Solutions, L.L.C. as follows

<u>Duties</u>	<u>Name</u>	Rate
Investor Relations	Kurt Davis	\$500/day plus expenses
Marketing Communications		
Print Services	•	•
Software/Hardware Systems Consulting	Ron Mills	\$1,000/day plus expenses
Organizational Planning Business Plan Development	Dan Smithson	\$750/day plus expenses
Human Resources		
Management Incentive Plans		

CORAM HEALTHCARE CORPORATION

RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, shares of the Company's \$.001 par value common stock (the "Common Stock") have been listed and traded on the New York Stock Exchange (the "Exchange") since the Company's inception in 1994;

WHEREAS, the Company has received notice from the Exchange that the Company has fallen below the criteria required for continued listing on the Exchange and has requested that the Company develop a plan for addressing such non-compliance or have the Common Stock de-listed from the Exchange;

WHEREAS, listing the Common Stock on the Exchange not only requires compliance with the listing criteria, but also requires the Company to pay certain listing fees and to devote attention to complying with the rules and regulations of the Exchange;

WHEREAS, this Board of Directors has determined that the costs of maintaining the listing of Company Common Stock on the Exchange outweigh the benefits of continuing such listing and has concluded that Company management should focus its attention on operating the Company's business and should take steps to remove the Common Stock from listing on the Exchange in a way that would not be unduly disruptive to the business of the Company and the market for Common Stock; and

WHEREAS, Company management has learned that shares of the Common Stock may be traded through the over the counter electronic bulletin board operated by the National Association of Securities Dealers (the "OTCBB") if the Company is able to enlist two qualified securities firms that would make a market for Company Common Stock;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman, Chief Executive Officer and President, any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed for and on behalf of the Company to execute and deliver all agreements, documents or certificates and take all steps, including, but not limited to, the identification and retention of market makers for Common Stock, as any such Authorized Officer may deem necessary, appropriate or expedient to facilitate the move of the vehicle for trading of shares of Company Common Stock from the Exchange to the OTCBB or another appropriate securities exchange; and

FURTHER RESOLVED, that all prior actions taken by the Authorized Officers with respect to the foregoing are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

CORAM HEALTHCARE CORPORATION

RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, Coram Healthcare Corporation (the "Company") has established and adopted the Coram Healthcare Corporation 401(k) Plan, as amended (the "Plan") to serve as a benefit to attract and retain qualified employees;

WHEREAS, Article VI of the Plan contemplates that the Company would match a certain portion of the contribution made by qualifying employees participating in the Plan using shares of the \$.001 par value common stock of the Company ("Company Shares"); and

WHEREAS, the Board has been provided with a summary of the financial condition of the Company and has determined that it is in the best interests of the Company and its stockholders, given the condition of the Company, to amend the Plan to cease providing the employer match contemplated by Article VI of the Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Company, as administrator of the Plan, hereby adopts, approves and confirms the amendment to the Plan set forth on Exhibit A hereto to effect the elimination of the employer match component of the Plan as contemplated by such amendment;

FURTHER RESOLVED, that the officers of the Company are hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, amendments, agreements and certificates as such officers shall deem necessary, appropriate or expedient to carry out the intent of these resolutions.

FURTHER RESOLVED, that all prior actions of the Authorized Officers with respect to the foregoing matters are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.